



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.lacounty.gov>

DAVID E. JANSSEN
Chief Administrative Officer

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October 17, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

NOVEMBER 7, 2006 GENERAL ELECTION BALLOT MEASURES

This is to provide you with information about the 13 statewide propositions on the November 7, 2006 General Election Ballot. The Board has taken support positions on Propositions 84 and 86, and an oppose position on Proposition 85, but has not taken a position on the remainder.

- Proposition 1A: Transportation Investment Fund. Legislative Constitutional Amendment. – **No Position**
- Proposition 1B: Highway Safety, Traffic Reduction, Air Quality, Port Security Bond Act of 2006. Legislative Bond Act. – **No Position**
- Proposition 1C: Housing and Emergency Shelter Trust Fund Act of 2006. Legislative Bond Act. – **No Position**
- Proposition 1D: Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2006. Legislative Bond Act. – **No Position**
- Proposition 1E: Disaster Preparedness and Flood Prevention Bond Act of 2006. Legislative Bond Act. – **No Position**

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- Proposition 83: Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring. Initiative Statute. – **No Position**
- Proposition 84: Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds. Initiative Statute. – **Support** (Board Action: August 8, 2006)
- Proposition 85: Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment. – **Oppose** (Board Action: October 17, 2006)
- Proposition 86: Tax on Cigarettes. Initiative Constitutional Amendment and Statute. – **Support** (Board Action: September 5, 2006)
- Proposition 87: Alternative Energy. Research, Production, Incentives. Tax on California Oil. Initiative Constitutional Amendment and Statute. – **No Position**
- Proposition 88: Education Funding. Real Property Parcel Tax. Initiative Constitutional Amendment and Statute. – **No Position**
- Proposition 89: Political Campaigns. Public Financing. Corporate Tax Increase. Contribution and Expenditure Limits. Initiative Statute. – **No Position**
- Proposition 90: Government Acquisition, Regulation of Private Property. Initiative Constitutional Amendment. – **No Position**

Attachment I includes a brief summary of each proposition and comments from affected County departments. Attachment II is a list of all local jurisdiction measures which have qualified for the November ballot.

DEJ:GK
MAL:MS:dIm

Attachments

c: Executive Officer, Board of Supervisors
County Counsel
All Departments
Legislative Strategist

PROPOSITION 1A: TRANSPORTATION FUNDING PROTECTION. Legislative Constitutional Amendment. – COUNTY POSITION: **NONE**

Proposition 1A, also known as the "Proposition 42 Protection Act," was placed on the ballot by **SCA 7 (Torlakson)** to modify the provisions in the State Constitution that allow for the suspension of the transfer of Proposition 42 gasoline sales tax revenues by the State to the Transportation Investment Fund (TIF) in order to further limit the conditions under which the transfer of these funds for transportation uses can be suspended.

Currently, Proposition 42 revenues may be loaned to the State General Fund under certain conditions, including a requirement that the funds be repaid within three years. The transfer of Proposition 42 revenues to the TIF may also be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor declaring that the transfer of transportation funds will have a "significant negative fiscal impact on the range of functions of government funded by the State General Fund," and the enactment of a statute by a two-thirds vote in each house of the Legislature, if the statute does not contain any unrelated provision.

Proposition 1A would make it more difficult for the State to suspend the transfer of Proposition 42 funds by requiring the Governor to issue a proclamation declaring that the suspension is necessary "due to a severe State fiscal hardship." Consistent with existing law, the proposition requires the Legislature to pass a statute containing no other unrelated provisions by a two-thirds vote of each house of the Legislature to suspend the transfer of funds, and to enact a statute to repay the funds within three years. Proposition 1A also adds a requirement that the suspended funds be paid back with interest.

In addition, Proposition 1A would 1) require any loan be made pursuant to a statute that provides for the full repayment to the TIF with interest, and would require the repayment to be made within three years of the suspension; 2) prohibit the suspension from occurring in more than two fiscal years over any 10 year period; 3) prohibit any suspension from occurring if full payment as required by a statute enacted in accordance with the bill has not yet been completed; 4) require that any funds currently loaned from the TIF prior to January 1, 2006 be repaid no later than June 30, 2016, and require that annual payments on the loan be no less than one-tenth of the total amount outstanding; and 5) allow the Legislature to provide by statute for the issuance of bonds by the State or local agencies that are secured by the minimum payments required above.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) reports that since 2002, the State has suspended the Proposition 42 transfer twice because of the State's fiscal condition. In FY 2003-04, the transfer was suspended partially, and in FY 2004-05, the full amount of the transfer was suspended. Existing law requires that these suspended amounts be repaid, with interest, by FY 2008-09 and FY 2007-08,

respectively. The LAO indicates that Proposition 1A would have no direct revenue or cost effect. By limiting the frequency and the conditions under which Proposition 42 transfers may be suspended in a 10 year period, the measure would make it more difficult to use Proposition 42 gasoline sales tax revenues for non-transportation purposes when the State experiences fiscal difficulties. As a result, the LAO indicates the measure would increase the stability of funding for State and local transportation in 2007 and thereafter. However, the LAO notes that the State's authority to direct available funds to meet other non-transportation priorities would be somewhat reduced in the event that the State faces fiscal difficulties.

Affected Departments. The County's Department of Public Works (DPW) advises that without the passage of Proposition 1A, the \$68 million the County is projected to receive annually beginning in FY 2008-09 for the repair of unincorporated County roads could be at significant risk. DPW indicates that Proposition 1A would make it much more difficult for the State to suspend the transfer of Proposition 42 revenues, which will help to ensure that monies owed to the County for streets and roads will be received. DPW also indicates that Proposition 1A will help to ensure that gasoline sales tax revenues continue to be used for transportation purposes, and recommends that the County support Proposition 1A.

Support and Opposition. Proposition 1A is supported by Californians to Improve Traffic Now/Yes on 1A and 1B – A Coalition of Taxpayers, Business, Construction and Labor; Citizens for Responsible Elections; San Gabriel Valley Committee in Support of Propositions 1A and 1B; California Contract Cities Association; California State Association of Counties; and the League of California Cities. There is no registered opposition.

PROPOSITION 1B: HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, PORT SECURITY BOND ACT OF 2006. Legislative Bond Act. – COUNTY POSITION: NONE

Proposition 1B, placed on the ballot by **SB 1266 (Perata)**, would authorize \$19.925 billion of State general obligation bonds for specified purposes, including high-priority transportation corridor improvements, trade infrastructure and port security projects, schoolbus retrofit and replacement purposes, State transportation improvement program augmentation, transit and passenger rail improvements, State-local partnership transportation projects, transit security projects, grade separation projects, State highway safety and rehabilitation projects, and local street and road improvement, congestion relief and traffic safety.

Specifically, the bond measure includes: 1) \$17.250 billion for mobility, transit, and congestion relief; 2) \$1.475 billion for safety, security, and disaster preparedness; and 3) \$1.2 billion for air quality. Following is a detailed breakdown of the major funding by category:

Mobility, transit, and congestion relief (\$17.250 billion):

- \$4.5 billion for high priority corridor improvements
- \$4 billion for rail, bus, transit, and improvements
- \$2 billion for trade infrastructure
- \$2 billion for State Transportation Improvement Program (STIP) augmentation
- \$1 billion for State Highway 99 Enhancement Plan
- \$1 billion for State-Local Partnership Program
- \$1 billion for roads – cities
- \$1 billion for roads – counties
- \$750 million for State Highway Operation and Protection Program (SHOPP)

Safety, security, and disaster preparedness (\$1.475 billion):

- \$1 billion for transit safety and disaster response
- \$250 million for grade separations
- \$125 million for local bridge seismic retrofit
- \$100 million for Port Security Program

Air quality (\$1.2 billion):

- \$1 billion for port air quality
- \$200 million for school bus retrofit and replacement

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) reports that the costs of these bonds would depend on interest rates in effect at the time they are sold and the time period over which they are repaid. The State would likely make principal and interest payments from the State's General Fund over a period of about 30 years. If the bonds are sold at an average interest rate of five percent, the cost would be about \$38.9 billion to pay off both the principal (\$19.9 billion) and interest (\$19 billion). The average repayment for principal and interest would be about \$1.3 billion per year.

The LAO further reported that the State and local governments that construct or improve transportation infrastructure with these bond funds, building roads and bridges or purchasing buses or railcars, for example, will incur unknown additional costs to operate and maintain them. A portion of these costs would be offset by revenues generated by the improvements, such as transit fares and tolls.

Affected Departments. The County's Department of Public Works (DPW) indicates that Proposition 1B allocates \$2 billion to counties and cities for local streets and roads, which will bring approximately \$194.4 million to the County and \$297 million for city streets within the County. DPW also estimates that the County would be eligible to apply for an additional \$225 million in competitive grants for other transportation projects. DPW indicates that Proposition 1B will provide significant funding for

transportation that would benefit the entire Los Angeles County region, and recommends that the County support the measure.

The Sheriff's Department (LASD) indicates that Proposition 1B includes \$1 billion for transit security and disaster response which could offer significant funding to increase security services provided by LASD on Metropolitan Transportation Authority buses and light rail and Metrolink trains. LASD also notes that the proposition would provide \$100 million in grants set aside for port security programs which could enhance a variety of LASD programs addressing port security, including the unincorporated area homeland security patrols which provide services to the commercial and cruise anchorage and transit lanes leading into the Ports of Los Angeles and Long Beach.

Support and Opposition. Proposition 1B is supported by Californians For Clean Air; Californians to Improve Traffic Now/Yes on 1A and 1B – A Coalition of Taxpayers, Business, Construction and Labor; Rebuilding California; Citizens For Responsible Elections; the San Gabriel Valley Committee in Support of Propositions 1A and 1B; League of Women Voters of California; California Contract Cities Association; California State Association of Counties; and the League of California Cities. There is no registered opposition.

PROPOSITION 1C: HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2006. Legislative Bond Act. – COUNTY POSITION: NONE

Proposition 1C, placed on the ballot by **SB 1689 (Perata)**, would authorize \$2.85 billion of State general obligation bonds to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. This measure would also establish the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development, which would receive funding from the proceeds of the bond act.

Specifically, the bond measure includes: 1) \$1.5 billion for affordable housing; 2) \$850 million for infill incentives; 3) \$300 million for transit-oriented development; and 4) \$200 million for housing-related parks in urban, suburban, and rural areas. Funding for the affordable housing category is broken down as follows:

Affordable housing (\$1.5 billion):

- \$345 million for multi-family housing which provides rental assistance for low income households
- \$300 million for the Cal Home homeownership program
- \$200 million for the California Homebuyer's Downpayment Assistance Program
- \$195 million for supportive housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness
- \$135 million for farmworker housing
- \$125 million for the Building Equity and Growth in Neighborhoods Program

- \$100 million for affordable housing innovation for competitive grants or loans to entities that develop, own, lend, or invest in affordable housing
- \$50 million for homeless youth housing
- \$50 million for emergency housing

The \$850 million for infill incentives can be used for water, sewer, or other infrastructure associated with transportation improvements, traffic mitigations, or brownfield cleanup that promotes infill. No more than \$200 million of these funds may be used for urban parks. The \$300 million for the Transit-Oriented Development Implementation Program would provide grants to local governments, including transit agencies, for infrastructure necessary for the development of higher density uses within close proximity to a transit station, and loans for the development and construction of housing in close proximity (1/4 mile) to a transit station. Fifteen percent of the housing units must be affordable to very low or low-income households and to remain affordable for at least 55 years.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) reports that the cost to pay off these bonds would depend primarily on the payment period and the interest rate. The State would likely make principal and interest payments on the bonds from the State's General Fund over a period of about 30 years. Usually, the interest on bonds is exempt from both State and Federal taxes because the bonds are for public purposes. This results in lower debt service payments for the State. However, the LAO indicates that some programs proposed by this measure would not be eligible for the Federal tax exemption, resulting in a higher interest rate. This is because the housing programs provide funds for private purposes, which the LAO estimates would apply to about 60 percent of the bonds.

The LAO further reports that if the federally taxable bonds were sold at an average rate of 6.5 percent and the remaining bonds at an average rate of five percent, the cost to the State would be about \$6.1 billion to pay off both the principal (\$2.85 billion) and the interest (\$3.3 billion). The average payment would be about \$204 million each year. The Department of Housing and Community Development and the California Housing Finance Agency would experience increased costs to administer the various housing and urban development programs. A portion of the programs' allocations—probably between \$100 million and \$150 million of the total bond funds—would be used to pay these administrative costs over time.

Affected Departments. The County's Community Development Commission (CDC) advises that although Proposition 1C would not provide significant direct funding to the CDC, many of their affordable housing development partners receive direct funding for many of the categories within the proposition, which could benefit the clients served by the CDC. In addition, the CDC indicates that two of their projects (the Gage Avenue and Slauson-Stanton/Florence-Firestone projects) would likely be eligible for funding under this measure. Therefore, the CDC recommends that the County support Proposition 1C.

The County's Department of Public Works (DPW) advises that Proposition 1C will provide opportunities to promote infill development within the County of Los Angeles and also includes potential funding of transportation infrastructure to mitigate the impacts of this type of development. Therefore, DPW recommends that the County support Proposition 1C.

Support and Opposition. Proposition 1C is supported by Yes on Prop 1C – A Coalition of Affordable Housing Advocates, Citizens for Responsible Elections, League of Women Voters of California, California Contract Cities Association, California State Association of Counties, and the League of California Cities. There is no registered opposition.

PROPOSITION 1D: EDUCATION FACILITIES: KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2006. Legislative Bond Act. – COUNTY POSITION: NONE

Proposition 1D would authorize the State to issue \$10.4 billion in general obligation bonds to build and modernize kindergarten through grade 12 and higher education facilities.

Kindergarten through Grade 12 Facilities. Proposition 1D would provide \$7.3 billion for the following projects:

- \$3.3 billion to modernize existing school facilities
- \$1.9 billion to build new school facilities with up to \$200 million available for retrofitting to make schools earthquake safe
- \$1 billion to relieve overcrowding
- \$500 million to build technical educational facilities
- \$500 million to construct and modernize charter school facilities
- \$100 million in incentive grants to promote the design of environmentally-friendly school facilities
- \$29 million for the construction of new facilities and the reconfiguration of existing facilities for joint-use projects including gymnasiums, libraries, child care facilities and teacher preparation facilities

Schools districts would be required to pay 50 percent of the costs for new construction including earthquake retrofitting and 40 percent of the costs for modernizing existing school facilities.

Higher Education Facilities. Proposition 1D would provide \$3.1 billion to construct new buildings and infrastructure, renovate existing buildings, and purchase equipment for use in these buildings. The proposition would allocate \$1.5 billion to Community Colleges, \$890 million to the University of California, and \$690 million to the California State University.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) estimates that if the \$10.4 billion in bonds is sold at the current interest rate of five percent, and repaid over 30 years, the cost would be about \$20.3 billion to pay off the principle and interest.

Affected Departments. The Los Angeles County Office of Education had no comment.

Support and Opposition. Proposition 1D is supported by the University of California Board of Regents, California School Boards Association, California State Parent Teacher Association, California Chamber of Commerce, California State Democratic Party, League of Women Voters of California, California Contract Cities Association, and the League of California Cities. There is no registered opposition.

Proponents of Proposition 1D contend that the measure will provide needed funding to relieve public school overcrowding, repair older schools, improve earthquake safety, and fund vocational educational facilities. Higher education proponents also note that the funding available under this proposition would fund the construction and renovation of facilities to address enrollment growth, improve building safety and replace obsolete infrastructure.

The County did not take a position on prior Kindergarten-University Public Education Facilities Bond Acts of 2002 and 2004, Propositions 47 and 55, which were approved by the voters on November 5, 2002 and March 2, 2004, respectively.

PROPOSITION 1E: DISASTER PREPAREDNESS AND FLOOD PREVENTION BOND ACT OF 2006. Legislative Bond Act. – COUNTY POSITION: **NONE**

Proposition 1E, placed on the ballot by **AB 140 (Nuñez)**, would authorize \$4.09 billion of State general obligation bonds to finance the following disaster preparedness and flood prevention projects:

- \$3 billion for levee inspection, repair, flood control improvements, and delta levee protection in the State's Central Valley Flood control system
- \$500 million to provide funds to local governments for the State's share of costs for locally sponsored, federally authorized flood control projects outside the Central Valley system
- \$290 million to protect, create, and enhance flood protection corridors, bypasses, and flood plain mapping
- \$300 million for storm flood management for grants to local agencies outside of the Central Valley system

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) indicates that the costs of these bonds would depend on interest rates in effect at the time they are sold and the time period over which they are repaid. The State would likely make principal and interest payments from the State's General Fund over a period of about 30 years. If the bonds were sold at an average interest rate of five percent, the costs

would be about \$8 billion to pay off both the principal (\$4.1 billion) and interest (\$3.9 billion). The average payment would be about \$266 million per year.

The LAO further indicates that Proposition 1E provides funds for land acquisition by the State for flood management, including the development of bypasses and setback levees. Under State law, property owned by government entities is exempt from property taxation. To the extent that this measure results in property being exempted from taxation due to acquisitions by governments, local governments would receive reduced property tax revenues. Because the measure does not specify what portion of the bond funds will be used for acquisitions, the impact on local property tax revenues is unknown, but is potentially up to several million dollars annually. Furthermore, the LAO indicates that to the extent that bond funds are used by State and local governments to purchase property or develop new flood control projects, these governments would incur unknown additional costs to operate or maintain the properties or projects.

Affected Departments. The Department of Public Works advises that Proposition 1E includes funding for grants for stormwater flood management projects, the protection, creation and enhancement of flood protection corridors and bypasses, and recommends that the County support Proposition 1E.

Support and Opposition. Proposition 1E is supported by Citizens for Responsible Elections, League of Women Voters of California, California Contract Cities Association, California State Association of Counties, and the League of California Cities. There is no registered opposition.

PROPOSITION 83: SEX OFFENDERS. SEXUALLY VIOLENT PREDATORS. PUNISHMENT, RESIDENCE RESTRICTIONS AND MONITORING. Initiative Statute. – COUNTY POSITION: NONE

Penalty Increases. Proposition 83, known as Jessica's Law, would increase the penalties for violent and habitual sex offenders and child molesters in the following ways:

- Broadens the definition of certain sex offenses, such as expanding the definition of aggravated sexual assault of a child to include offenders who are at least seven years older than the victim, rather than ten years under current law.
- Establishes longer penalties for certain sex offenses, such as expanding the list of crimes that qualify for life sentences in prison to include assault to commit rape during the commission of a first degree burglary.
- Prohibits probation in lieu of prison for some sex offenses, including spousal rape and lewd or lascivious acts.
- Eliminates early release credits for some inmates convicted of certain sex offenses, such as habitual sex offenders who have multiple convictions for certain felony sex offenses including rape.
- Extends parole for certain sex offenders, including habitual sex offenders.

- Increases court-imposed fees charged to those who are required to register as sex offenders.

GPS Monitoring. Proposition 83 would require that a person convicted of a felony sex offense that requires registration as a sex offender, and who has been sent to prison, would be monitored by a Global Positioning System (GPS) while on parole and for the rest of their lives. The California Department of Corrections and Rehabilitation would be authorized to collect fees from the sex offender to cover the costs of GPS monitoring based on the offender's ability to pay.

Residency Restrictions. The proposition would prohibit a person required to register as a sex offender from living within 2,000 feet of any school or park and authorizes local governments to further expand these residency restrictions. The current restriction of 2,640 feet (one-half mile) for certain high risk sex offenders on parole would remain.

Sexually Violent Predator (SVP) Commitment Expansion. Proposition 83 makes more sex offenders eligible for an SVP commitment by reducing from two to one the number of prior victims of sexually violent offenses that qualify an offender for an SVP commitment and making additional prior offenses, including certain crimes committed while a juvenile, apply toward an SVP commitment. The proposition would require that SVPs be committed by the court to a State mental hospital for an undetermined period of time. Under current law, offenders designated as SVPs by the courts are committed to a State mental hospital for up to two years and may be subsequently recommitted by the courts. Finally, the proposition establishes specific standards for release of SVPs from a State mental hospital, requiring the State Department of Mental Health to annually examine whether a person being held in a State hospital as an SVP still meets the definition, whether release is in the best interest of the person, and whether conditions imposed upon release would adequately protect the community.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) estimates that State prison, parole and mental health costs would increase by several millions of dollars initially, growing to approximately \$200 million annually within ten years. Because Proposition 83 does not specify whether State or local governments would be responsible for GPS monitoring of sex offenders who have been discharged from State parole supervision, the LAO indicates that it is unclear if local governments would bear some or all of these long-term costs. Although the costs could be offset by court and parolee fees authorized by the measure to be collected from the offender, the amount would depend upon the offenders' ability to pay. The LAO finds that additional SVP commitment petitions would result in increased court costs for hearing these cases and increased county jail costs for holding offenders who have pending SVP cases. The LAO also anticipates one-time mental hospital and prison construction costs reaching several hundred million dollars over time.

Affected Departments. The District Attorney (DA) indicates that he supports Jessica's Law because it provides additional tools for deputies who prosecute sex crimes and child abuse cases; however, the initiative harbors some provisions which may create

unpredictable results. For example, prosecution and law enforcement experience in other states has shown that provisions such as the 2,000 foot residency restriction resulted in negative unforeseen consequences, forcing sex offenders from urban settings to more rural areas which lack the resources to provide adequate supervision. The DA anticipates that future legislation may be needed to correct the initiative language should any of its provisions prove to be problematic.

The Public Defender notes that Proposition 83 would result in the loss of a minimum of \$4.5 million annually in state-mandated reimbursements for the prosecution and defense of SVP cases. Under SB 90, the State reimburses local government for local mandates; however, if the law is changed by initiative, counties would no longer receive reimbursement for SVP cases. Proposition 83 increases the likelihood that California's SVP law will be invalidated as the commitments for "treatment" in state facilities are converted from one or two years to indeterminate (lifetime). Likewise the parolees to be placed on GPS monitoring are expanded beyond high risk offenders to all parolees committed on sex offenses, even low risk offenders.

The Public Defender also indicates that the residency restrictions will force parolees from major cities to rural areas, such as the Antelope Valley, where treatment, housing and employment will be scarce or unavailable. The inability to obtain gainful employment will have a destabilizing effect on families and communities and will promote reliance on government aid. In Iowa, where such a residency restriction was enacted in 2001, the Iowa County Attorneys Association recently reported that offenders who had been effectively monitored in their homes are now becoming homeless or failing to register, resulting in an erosion of public safety. Including even misdemeanor registrants in the banishment provision will deprive these individuals of the presence of supportive families, a stable home base, and the range of services available in their communities and will increase the risk of recidivism where it would not otherwise occur.

Lastly, the Public Defender notes that Proposition 83 provides no funding for treatment which has been demonstrated to reduce recidivism. A December 2004 California Research Bureau report entitled Community Treatment and Supervision of Sex Offenders: How It's Done Across the Country and in California examined community placement trends involving the least serious to the most serious sexual offenders, and cited research showing that offenders who participated in relapse prevention treatment programs had a re-arrest rate of 7.2 percent, compared to 17.6 percent for untreated offenders, which demonstrates that applying GPS to all sex offenders is overbroad. The rate of recidivism for sex offenders is lower than the overall recidivism rate for non-sex offenders. It should be noted that the California Coalition Against Sexual Assault, which is comprised primarily of the 92 rape crisis centers and rape prevention programs in California, opposes Proposition 83.

While the Sheriff supports Proposition 83, he indicates that it is likely to have a large fiscal impact on his Department. Although the measure is silent as to where responsibility will rest for maintaining lifetime GPS monitoring after a defendant is released from parole, Senator George Runner and Assembly Member Sharon Runner,

who led the campaign to put the proposition on the ballot, maintain that the responsibility will rest with local law enforcement and specifically the Sheriff. We are advised that the Senator and Assembly Member have acknowledged to the Sheriff that there are serious long-term costs to local government and have pledged to work with the Department, and law enforcement throughout the State, to introduce legislation that would clarify responsibilities and mandate the State to pay the costs in full. However, the Sheriff notes that the passage of such legislation is uncertain.

The Chief Probation Officer supports the concept of providing a safety net to the community through the use of appropriate and effective supervision and sanctions for sex offenders, but believes that implementation of Proposition 83 will not adequately address the needs of the community, and that certain provisions of the bill will be counterproductive. For example, the proposition may draw otherwise treatable young persons who have engaged in delinquent behavior into a lifetime of criminal behavior, it does not address the current Mentally Disordered Sex Offender population in county jails, it would force sex offenders to reside in rural areas where there are fewer resources for supervision and treatment, and it will increase the geriatric population in State prisons who place a high demand on services at a time where their danger to the community is often quite low.

Support and Opposition. Proposition 83 is sponsored by Governor Arnold Schwarzenegger, Senator George Runner, and Assembly Member Sharon Runner. It is supported by over eighty organizations and elected officials including the Association of Los Angeles Deputy Sheriffs, California Association of Deputy District Attorneys, California Deputy District Attorneys Association, California Farm Bureau, California Organization of Police and Sheriffs, California Police Chiefs Association, California Sexual Assault Investigators, California State Firefighters' Association, California State Sheriffs Association, California Republican Party, Crime Victim's United, California Women's Federation, California Women's Leadership Association, League of California Cities, State Coalition of Probation Organizations, Senator Dick Ackerman, Senator Bill Morrow, Assembly Member Lynn Daucher, Assembly Member Todd Spitzer, Los Angeles County Board of Supervisors Mayor Mike Antonovich, Los Angeles County Board of Supervisors Member Don Knabe, Los Angeles County Sheriff Lee Baca, and Los Angeles County District Attorney Steve Cooley, among others. Proposition 83 is opposed by the California Attorneys for Criminal Justice, California Coalition Against Sexual Assault, and the Sacramento Bee.

PROPOSITION 84: WATER QUALITY, SAFETY AND SUPPLY. FLOOD CONTROL. NATURAL RESOURCE PROTECTION. PARK IMPROVEMENTS. BONDS. Initiative Statute. – COUNTY POSITION: **SUPPORT** (Board Action: August 8, 2006)

Proposition 84 will provide \$5.388 billion statewide for projects and grants in a variety of categories, including:

- \$1.525 million for Safe Drinking Water and Water Quality
- \$800 million for Flood Control

- \$65 million for Statewide Water Planning and Design
- \$928 million for Protection of Rivers, Lakes and Streams
- \$450 million for Forest and Wildlife Conservation
- \$540 million for Protection of Beaches, Bays and Coastal Waters
- \$500 million for Parks and Nature Education Facilities
- \$580 million for Sustainable Communities and Climate Change Reduction
-

Revenue Allocations. There are no per capita formulas included in the proposition, and no funds are specifically earmarked for County projects. However, if the proposition passes, the Los Angeles County region would be allocated a portion of the \$215 million for Integrated Regional Water Management planning efforts in the Los Angeles sub-region, which includes Ventura County and the Greater Los Angeles County Region, and \$27 million for the North/South Lahontan region, which includes the Antelope Valley, for projects to improve water quality and water reliability. The proposition earmarks a minimum of \$135 million to local land conservancies including the Baldwin Hills Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the Santa Monica Mountains Conservancy, and the Santa Monica Bay Restoration Commission. As the conservancies will likely grant these funds to other agencies for specific projects, the County may become the recipient of a portion of these funds. In addition, nearly \$2 billion would be available for competitive grant programs, and the County would be eligible to compete in most of the categories, including the Clean Beaches Program, Local Flood Control Subventions, Local and Regional Parks, Parks and Nature Education Facilities, Stormwater Pollution Prevention, and Urban Stream Restoration.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) reports that approximately \$11 billion in bonds have been approved by the voters since 1996 for various resource-related purposes and as of June 30, 2006, about \$1.4 billion in uncommitted bond funds are available for new projects, mostly for water-related improvements. The LAO estimates that Proposition 84 will result in a total State cost of \$10.5 billion over the 30 years allowed to pay the principal and interest on these bonds, at a rate of \$350 million per year. Land acquisition with Proposition 84 funds will reduce local property taxes by up to several million dollars statewide. Also, to the extent that bond funds are used for acquisition and development of new facilities, State and local agencies may incur increased costs for operation and maintenance. These added costs may be partially offset by increased fees and revenue, leaving a potential net cost, statewide, in the tens of millions of dollars annually.

Affected Departments. The Department of Parks and Recreation (DPR) is supportive of Proposition 84, as it will provide the best near-term opportunity for the County to compete for significant grant funding for priority park projects and resource improvements. If a per capita allocation distribution were used, DPR indicates that the County would receive approximately \$20 million in local assistance grants for the acquisition, development and improvement of local and regional park and recreation facilities. In addition, the Department's competitive grant efforts, if successful, could

yield as much as \$10 million for nature education and research facilities at local parks and botanic gardens.

The Department of Public Works (DPW) also is supportive of Proposition 84, as the proposition would provide funds for the Integrated Regional Water Management Plan (IRWMP) efforts taking place throughout the County. The Los Angeles County Flood Control District is the lead for the IRWMP for the Greater Los Angeles County Region, and the Los Angeles County Waterworks District No. 40 is the lead for the IRWMP in the Antelope Valley. DPW reports that the proposition would make competitive grants available to implement IRWMP projects countywide to improve water quality, protect water supply, and provide open space and recreational opportunities. Funding opportunities would also be available for projects within the Los Angeles and San Gabriel River watersheds and for flood protection and floodplain mapping.

The Department of Beaches and Harbors also is supportive of Proposition 84, as the measure would provide a much needed revenue source to fund wastewater treatment projects to improve water quality at public beaches and may provide an opportunity to fund projects to eliminate persistent flooding problems at Santa Monica Outfall and Zuma Creek.

Support and Opposition. Proposition 84 has been endorsed by a large number of governmental agencies, business associations, environmental groups, and individual political leaders, including: U.S. Senator Diane Feinstein, Governor Arnold Schwarzenegger, State Treasurer Phil Angelides, Senate President pro Tem Don Perata, Assembly Speaker Fabian Nuñez, the California Parks and Recreation Society, California Coastal Coalition, Los Angeles Area Chamber of Commerce, California League of Conservation Voters, League of Women Voters of California, League of California Cities, Watershed Conservation Authority, Los Angeles and San Gabriel Rivers Watershed Council, Los Angeles Conservation Corps, Heal the Bay, Las Virgenes Municipal Water District, Metropolitan Water District of Southern California, and the Urban Counties Caucus, among others. It is opposed by the California Republican Party and the Libertarian Party of California. The California State Association of Counties has taken a neutral position.

PROPOSITION 85: WAITING PERIOD AND PARENTAL NOTIFICATION BEFORE TERMINATION OF MINOR'S PREGNANCY. Initiative Constitutional Amendment. – **COUNTY POSITION: OPPOSE** (Proposition 85 is substantially the same as Proposition 73 which was on the November 8, 2005 ballot and was opposed by the County on October 25, 2005.)

Proposition 85 would amend the California State Constitution to require health care professionals to notify a parent or guardian 48 hours before performing an abortion on an unemancipated minor, except in a medical emergency or with parental or judicial waiver. It would permit a judicial waiver of notice based on clear and convincing evidence of the minor's maturity or of the minor's best interests. If the waiver is denied, the minor could appeal that decision to an appellate court. Physicians would be

required to report abortions performed on minors and the California Department of Health Services would be required to maintain records and compile statistics relating to these abortions that would be available to the public. These reports would not identify the minor or any parent or guardian by name. The measure would also allow a minor to seek help from the juvenile court if anyone attempts to coerce her to have an abortion and would require the court to take whatever action it found necessary to prevent coercion.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) reports that the cost of this measure to Medi-Cal and other programs is unknown, but is probably not significant.

Affected Departments. The Department of Health Services indicates that this measure would have a minor effect on the Department because few abortions are performed in County facilities on patients under 18 years of age.

The Department of Public Health (DPH) indicates that confidential reproductive health care for minors is an important medical and public health issue that helps ensure the safety of one of California's most vulnerable populations. It supports the involvement of parents in the decision-making related to teen pregnancy, and works to educate the public on effective and safe birth control methods and provide in-home supportive services to pregnant teens. However, when prevention programs fail, some pregnant teens may not be able to talk to their parents for fear of physical abuse, emotional abuse or abandonment. DPH is concerned that this Proposition could delay teens from seeking appropriate medical care, and may force them to attempt dangerous self-abortion techniques or obtain illegal procedures through unlicensed personnel. In addition, it would put a costly burden on the already over-burdened health care system by requiring physicians to engage in and thoroughly document parental notification processes via both certified and first class mail.

DPH notes that Proposition 85 will most likely adversely impact poor adolescents and adolescents of color. Studies show that socio-economically disadvantaged women of Hispanic and African American descent who are living at or below the 100 percent of the federal poverty level are four times more likely to obtain an abortion.

DPH further indicates that there has been no documented evidence that this new requirement will reduce teen abortions, or facilitate conversations between the teen and her parents or guardians regarding the pregnancy. Recent studies show that over 70 percent of teens in the United States report discussing these topics with their parents, and the majority, 61 percent, have reported that at least one parent is aware of their decision to seek abortion care. Over 30 percent of teens who choose not to involve their parents cite fear of physical harm, being kicked out of the house, or other abuse as part of their reason not to disclose to their parents. In Texas, the number of late, second trimester abortions being performed increased markedly after implementation of their parental notification law, indicating a delay in getting prompt

medical care. In several states, the rate at which adolescents traveled out-of-state for abortion care appeared to rise in relation to the drop in abortions performed in-state.

Support and Opposition. Although the Yes on 85 Campaign staff indicate that they have not yet completed a list of those in support of the measure, they note that Proposition 73 was supported by Life on the Ballot, former California Supreme Court Justice William Clark, former State Senator David Roberti, former State Assembly Member Barbara Alby, former State Senator Waddie P. Deddeh, the Executive Director of the Campaign for California Families, former State Assembly Member Don Sebastiani, Dr. Robert T. Lynch of the Knights of Columbus, and the Executive Director of the California Right to Life Committee.

Proposition 85 is opposed by a number of medical and other organizations because it interferes with the doctor patient relationship and delays medical care and counseling, which is likely to result in riskier and more complicated procedures. It is opposed by the California Medical Association, California Nurses Association, American Academy of Pediatrics-California District, Planned Parenthood Affiliates of California, American College of Obstetricians and Gynecologists District IX California, League of Women Voters of California, California Academy of Family Physicians, California Family Health Council, NARAL Pro-Choice California, ACLU Northern California, ACLU Southern California, Equality California, and California National Organization for Women.

PROPOSITION 86: TAX ON CIGARETTES. Initiative Constitutional Amendment and Statute. – COUNTY POSITION: **SUPPORT** (Board Action: September 5, 2006)

Effective January 1, 2007, Proposition 86 would increase excise taxes on cigarettes by \$2.60, from \$0.87 to \$3.47 per pack, to fund hospital emergency services, increase access to health insurance for children, expand nursing education, support health education activities, curb tobacco use and regulate tobacco sales. Existing State law requires the Board of Equalization to increase taxes on other tobacco products, such as loose tobacco and snuff, in an amount equivalent to any increase on the tax on cigarettes, so this measure would result in a comparable increase in the excise tax on other tobacco products.

Revenues from the excise tax increase would be allocated for the following purposes:

Backfill of Proposition 10 Programs. An unspecified amount would be used to fully backfill Proposition 10 programs for early childhood development for the loss of funding that would result from the enactment of the new measure due to reduced sales of tobacco products and increased sales for which taxes would not be collected, including purchases made on the Internet, from out-of-state, or from smuggled products.

Health Treatment and Services Account. After the Proposition 10 backfill, 52.75 percent of the funds would be allocated to the Health Treatment and Services Account which contains a series of sub-accounts that can be used for a variety of purposes. Of the entire allocation in the Health Treatment and Services Account, 74.50 percent would be

allocated to hospitals for the un-reimbursed cost of emergency services and to improve or expand emergency services, facilities or equipment. Private and public hospitals would be eligible to receive this funding based on a formula that includes uncompensated care costs and volume. The remainder of the funds in this account would be used to expand nursing education programs, support nonprofit community clinics, reimburse physicians for uncompensated care for the uninsured, repay college loans to encourage physicians to work in underserved communities, provide prostate cancer treatment and smoking cessation programs.

Health Maintenance and Disease Prevention Account. The next 42.25 percent of the funds remaining after the Proposition 10 backfill would be allocated to a Health Maintenance and Disease Prevention Account which has a series of sub-accounts that can be used for a variety of purposes. Of the entire allocation in the Health Maintenance and Disease Prevention Account, 45.50 percent would be used to expand the Healthy Families Program (HFP) for health coverage to children from families with incomes between 250 percent and 300 percent of the Federal Poverty Level (FPL), and children from families with incomes up to 300 percent of the FPL who are ineligible for HFP due to immigration status and/or income. The remaining funds would be used for a variety of health education programs including public relations campaigns and local health department programs to prevent and reduce smoking, law enforcement and training, and programs related to certain diseases including colorectal, breast and cervical cancer; heart disease and stroke; obesity and asthma.

Health and Disease Research Account. The remaining five percent of the funds would be allocated to the Health and Disease Research Account to support medical research relating to cancer, including breast and lung cancer, and other tobacco related diseases, as well as the effectiveness of tobacco control efforts. It would also be used to support a statewide cancer registry to collect data on cancer cases.

Other Significant Provisions. Proposition 86 requires that the State annually allocate \$24.8 million in Proposition 99 funds to counties, an amount equal to that appropriated in FY 2005-06, to reimburse physicians for uncompensated medical care. Funds from the proposition can not supplant existing State or local spending. The State and counties can not borrow the funds for other purposes, but can use them to draw down additional Federal funds. Contracts to implement new programs would be exempt from State contracting rules for the first five years. The California Department of Health Services would be required to prepare an annual report describing the programs that received Proposition 86 funding and how the funding was used. Hospitals allocated emergency and trauma care funds would be subject to limits on what they could charge to patients in families with incomes at or below 350 percent of the FPL, and would be required to adopt written policies on their bill collection practices. Hospitals receiving funding would be allowed to coordinate medical services, including emergency services, with other hospitals.

Legislative Analyst's Office Report. Assuming that the additional excise tax is passed on to consumers, the Legislative Analyst's Office (LAO) indicates that a price

increase for tobacco products is likely to result in consumers reducing the amount of taxable tobacco products that they purchase or purchasing tobacco products on which taxes would not be collected, including purchases made on the Internet, from out of State, or of smuggled products. The LAO estimates that the increased excise tax will raise about \$1.2 billion in FY 2006-07 and about \$2.1 billion in FY 2007-08, the first full year of implementation, with revenues declining slightly in subsequent years. The LAO expects that a decline in consumption would reduce State General Fund revenues and revenues for Propositions 99, 10 and the Breast Cancer Fund; however, the increased sales tax based on the price of tobacco products plus the new excise tax would be likely to offset these reductions. The LAO estimates that Proposition 86 would result in an annual revenue increase of as much as \$10 million for local governments.

Affected Departments. The Department of Health Services (DHS) is supportive of Proposition 86 because it would provide approximately \$96 million annually for emergency care services provided by DHS hospitals, and additional funding for emergency services provided by private hospitals in the County, and community clinics serving uninsured patients. This increased funding would not only help to reduce the DHS forecast deficit, but also alleviate the crisis in emergency medical services and access to care for the uninsured.

The Department of Public Health (DPH) also is supportive of Proposition 86 because it would provide increased funding for tobacco control and chronic disease prevention programs. It also could result in a significant decrease in average consumption of cigarettes, numbers of smokers, and the health consequences of smoking, which remains the number one cause of preventable deaths in Los Angeles County.

Additionally, both DHS and DPH indicate that Proposition 86 would help to sustain local efforts in increase health insurance for children by funding Healthy Kids initiatives that provide coverage to children ineligible for Medi-Cal or Healthy Families.

Support and Opposition. Proposition 86 is sponsored by the American Cancer Society, American Heart Association, American Lung Association, California Hospital Association, Children's Partnership, American College of Emergency Physicians California Chapter, Association of California Nurse Leaders, California Emergency Nurses Association, California Primary Care Association, Tobacco Free Kids Action Fund, Children Now, Emergency and Acute Care Medical Corporation and PICO California. It is supported by over 160 community, health, education, governmental, and business organizations, including the League of California Cities, California State Parent Teacher Association, Children's Defense Fund California, Maternal and Child Health Access, League of Women Voters of California, Los Angeles Chamber of Commerce, American Academy of Pediatrics California District, California Association for Nurse Practitioners, California Association of Physician Groups, California Medical Association, Community Clinics Association of Los Angeles, Intercultural Cancer Council Caucus, Susan G. Komen Breast Cancer Foundation Los Angeles County Affiliate, California Tobacco Control Alliance, California Association of Public Hospitals,

California Children's Hospitals Association, Health Officers Association of California, and the Urban Counties Caucus, among others.

Proposition 86 is opposed by over 50 public safety, business, community, and taxpayer organizations including the Association of Los Angeles Deputy Sheriffs (ALADs), Los Angeles Police Protective League, California State Firefighters' Association, Association of California Neurologists, Asian Business Coalition, California Chamber of Commerce, California State Conference of the NAACP, Small Business Action Committee, Women Impacting Public Policy, Americans for Tax Reform, California Taxpayers Association, Howard Jarvis Taxpayers Association, National Tax Limitation Committee, National Taxpayers Union, Taxpayer Protection Committee, California Distributors Association, California Retailers Association, California Association of Retail Tobacconists, California Beverage Merchants, California Grocers Association, California Manufacturers and Technology Association, National Association of Wholesale Distributors, and the Tavern Owners United for Fairness, among others. ALADs is opposed to Proposition 86 because of the potential to cause additional workload for law enforcement due to increased smuggling of tobacco products. The California State Association of Counties has taken a neutral position.

PROPOSITION 87: ALTERNATIVE ENERGY. RESEARCH, PRODUCTION, INCENTIVES. TAX ON CALIFORNIA OIL. Initiative Constitutional Amendment and Statute. – COUNTY POSITION: **NONE**

Proposition 87 would amend the California State Constitution by imposing a severance tax on oil production in California. The tax would not apply to oil production on State lands, including offshore production within three miles of the coast, or on Federal lands including offshore production more than three miles off the coast. Production from wells that produce less than ten barrels a day (stripper wells) would be excluded unless the price of oil exceeded \$50 per barrel. Proposition 87 would also transform the California Alternative Energy and Advanced Transportation Financing Authority into the California Energy Alternatives Program Authority which would be responsible for allocating the proceeds of the tax. The intent of the initiative would be to reduce annual consumption of petroleum based fuels by 25 percent by 2017.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) estimates that the tax would apply to approximately 165 million of the 268 million barrels produced in the State annually. Due to an ambiguity in the language, they estimate that between \$200 million and \$380 million a year would be raised under the tax based upon current prices and levels of oil productions. The proposition would prohibit the severance tax from being passed on to the consumer. Proposition 87 would have an unknown impact on local property tax revenues as well as excise and sales tax revenue on diesel and gasoline. A commensurate increase in alternate fuel consumption subject to these taxes could provide offsetting revenue.

Affected Departments. In Los Angeles County, it is estimated that 30 million barrels are extracted annually. Based on information from the County Assessor's Office, the

assessed valuation for oil bearing property in the County is approximately \$2.4 billion. A five percent reduction in the assessed valuation of those parcels would result in a \$1.2 million property tax reduction. Based on the County's approximate 33.5 percent share of property taxes, the decline in assessed value of oil bearing property would represent a \$402,000 loss in annual County property tax revenue.

Support and Opposition. Proposition 87 is supported by a large number of governmental, business, labor and environmental organizations. Over 100 supporters have been identified that include the American Lung Association of California; California Nurses Association; California Labor Federation; Los Angeles County Labor Federation; California League of Conservation Voters; Sierra Club of California; Union of Concerned Scientists; California Federation of Teachers; CalPirg; Americans for Energy Independence; Friends of the Earth; California Democratic Party; Santa Monica City Council; US Senator Dianne Feinstein; Congressmembers Howard Berman, Nancy Pelosi, Loretta Sanchez and Hilda Solis; State Senators Richard Alarcon and Sheila Kuehl; Assembly Speaker Fabian Nuñez; Assemblymembers Jenny Oropeza and Fran Pavley; City of Los Angeles Councilmembers Alex Padilla and Ed Reyes; City of West Hollywood Councilmembers John Duran and Jeffrey Prang; Former USEPA Administrator Carol Browner; United Farm Workers co-founder Dolores Huerta; and six Nobel Prize winners.

This measure is opposed by over 100 organizations and elected officials including Los Angeles County Mayor Michael Antonovich; Orange County Supervisor Bill Campbell; West Covina City Councilmember Roger Hernandez; Butte County Board of Supervisors; Colusa County Board of Supervisors; Kern County Board of Supervisors; Inyo County Board of Supervisors; Madera County Board of Supervisors; Merced County Board of Supervisors; Siskiyou County Board of Supervisors; Howard Jarvis Taxpayers Association; California Taxpayers Association; California Business Roundtable; U.S. Chamber of Commerce; California Chamber of Commerce; California State Association of Counties; Los Angeles Area Chamber of Commerce; Long Beach Area Chamber of Commerce; Irwindale Chamber of Commerce; Automobile Club of Southern California; California Trucking Association; California State Firefighters' Association; California Department of Forestry and Fire Protection (firefighters); California Farm Bureau; and Western Growers Association. The Urban Counties Caucus has taken a neutral position.

PROPOSITION 88: EDUCATION FUNDING. REAL PROPERTY PARCEL TAX.
Initiative Constitutional Amendment and Statute. – COUNTY POSITION: **NONE**

Proposition 88, "The Classroom Learning and Accountability Act," proposes to amend the State Constitution and the Education and Government Codes to create a new statewide parcel tax to support kindergarten through grade twelve (K-12) education programs. If approved by the voters, this measure would take effect on July 1, 2007.

Proposition 88 would impose an annual assessment of \$50 on each real property parcel. The initiative provides for exemptions from the new parcel tax, if the owner

resides on the parcel, is eligible for a homeowner's exemption, and is either 65 years of age or older, or is severely and permanently disabled as defined by the Revenue and Taxation Code. Proposition 88 also includes provisions to reimburse counties no more than two-tenths of one percent (0.2 percent) for all administrative costs incurred from the implementation and administration of this initiative. In addition, this initiative authorizes transfers of parcel tax revenue to the State General Fund to offset any losses in State income tax revenue due to additional property-related deductions as a result of the new parcel tax.

Revenue Allocations. The revenue generated by the parcel tax would be deposited in a new special fund in the State Treasury, and would be allocated as follows:

- \$175 million for the K-12 Class Size Reduction Program
- \$100 million for textbooks and instructional materials approved by the State Board of Education
- \$100 million to enhance the safety and security of students, teachers, and school staff through community policing, gang-risk intervention, after-school programs, and school community violence prevention
- \$85 million for Academic Success facility grants to qualifying schools or school districts which have not received funding from the proceeds of a State general fund obligation bond for school construction or modernization
- \$10 million for an integrated longitudinal teacher and student achievement data system to evaluate the efficiency and effectiveness of educational programs

Proposition 88 calls for funding to be directly apportioned to school districts, county offices of education, and public charter schools by using a new per-student basis formula to be created by the Legislature. In addition, the initiative requires continuous appropriation of the funds, and requires that the annual allocation of funds be adjusted on a proportional basis to reflect actual revenues received and interest earned.

Legislative Analyst's Office Report. The Legislative Analyst's Office (LAO) estimates that the statewide parcel tax would generate approximately \$450 million in new revenue each year, but the revenue would grow slowly because this type of tax is fixed for each parcel or unit of land. Revenue would increase over time as new parcels are created primarily through the subdivision of land.

The LAO estimates that \$30 million of the parcel tax revenue would be transferred annually to the State General Fund to offset a projected decline in income tax revenues due to the increased property tax related deductions. The LAO also estimates that \$1 million will be used on an annual basis to reimburse counties no more than 0.2 percent for property tax administration functions. The LAO points out that the remaining revenues would be to some extent less than the initiative's designated funding level of \$470 million, and as a result the program allocations would likely have to be adjusted downward proportionally.

Affected Departments. The Assessor's Office points out that their primary concern with Proposition 88 would be the identification of those parcels exempt from the \$50 parcel tax. Currently, county assessors only maintain records of parcels that receive a homeowner's exemption but not of the eligible parcels. In addition, county assessors do not track the age of property owners. If Proposition 88 is approved by the voters, county assessors would be precluded from using an automated system to implement Proposition 88, because the process of confirming age or disabilities would probably have to be done through the use of an application form. The Assessor indicates that any new process to implement Proposition 88 would probably be complex and costly, as county assessors would have to require copies of driver's licenses or birth certificates for age documentation, or documentation from health professionals or notarized statements from property owners to verify disability status.

Other issues identified by the Assessor include: 1) real property parcels that are used as timeshares could potentially be taxed at \$2,600 (\$50 x 52 weeks), because some counties create a parcel for each individual owner of a timeshare; and 2) many own-your-own and cooperative developments are issued a single tax bill for all owners, which could potentially result in precluding some property owners from qualifying for the parcel tax exemption.

The Auditor Controller (Auditor) indicates that the potential placement of the parcel tax (or direct assessment) on the County's tax roll would not be an issue, because the Auditor currently posts 18.5 million in direct assessments (such as flood control, lighting, and parks) to the tax roll annually, and therefore, another 2.3 million assessments would not be problematic. However, the Auditor points out that Proposition 88 fails to identify who will have the responsibility for the administration of the new parcel tax. Currently, school districts that levy parcel taxes have the responsibility for administrative functions and must provide the necessary data to the Auditor to handle appeals, roll corrections, refunds, and other important tax administrative functions.

In addition, the Auditor points out that Proposition 88 defines a parcel as any unit of real property that receives a separate tax bill for ad valorem property taxes. However, real property for religious venues and non-profit organizations, which would be exempt from this parcel tax, would still receive a tax bill because these organizations are not exempt from other parcel taxes or direct assessments. Since the initiative does not identify an administrator, it is not known who will have the responsibility to identify exempt parcels, as well as who would handle appeals for erroneously assessed parcels.

The Assessor's Office and the Auditor both indicate that the 0.2 percent, or approximately \$1 million, limit for reimbursement of county property tax administrative functions would probably be insufficient, because property tax administrative functions are complex and the amount allocated by the initiative is expected to fund all 58 counties. The Auditor estimates that based on the current direct assessment charge of \$.20 to place a transaction on the tax roll, their cost would be approximately

\$460,000 per year for the estimated 2.3 million parcels located in Los Angeles County. While per transaction charges vary by agency throughout the State, most counties recover their costs in a similar manner, as mandated by law.

The Treasurer and Tax Collector indicates that this measure would have a minor impact on the Department from a small increase in workload as a result of taxpayer inquiries, and minimal cost increases due to the issuance of additional property tax billings to properties that do not currently receive tax bills.

Support and Opposition. Proposition 88 is sponsored by EdVoice and the Taxpayers for Accountability and Better Schools, a group of philanthropists, parents, community leaders, and educators, and it is supported by State Superintendent of Public Instruction, Jack O'Connell, and the California Organization of Police and Sheriffs.

It is opposed by Governor Schwarzenegger, California Democratic Party, California Republican Party, Libertarian Party of California, California State Parent Teacher Association, California School Boards Association, California Federation of Teachers, California Labor Federation, California Federation of Labor, AFL-CIO, California Association of School Business Officials, California State Association of Counties, Urban Counties Caucus, Howard Jarvis Taxpayers Association, League of Women Voters of California, California Taxpayers Association, Small Business Action Committee, and the Consumer Federation of California, among others. The League of California Cities has taken a neutral position.

PROPOSITION 89: POLITICAL CAMPAIGNS. PUBLIC FINANCING. CORPORATE TAX INCREASE. CONTRIBUTION AND EXPENDITURE LIMITS. Initiative Statute. – COUNTY POSITION: NONE

Proposition 89, the California Clean Money and Fair Elections Act, would amend State law to 1) provide public campaign financing for State elective candidates meeting certain requirements, 2) increase the State income tax rate on corporations and financial institutions by 0.2 percent to fund the campaign financing program, and 3) impose new campaign contribution limits for State-office candidates and campaign committees and new restrictions on contributions by lobbyists, State contractors, and corporations.

The public campaign financing component of Proposition 89 would apply to candidates for Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer, Controller, Insurance Commissioner, Superintendent of Public Instruction, Senate, Assembly, and the Board of Equalization who collect a specified number of \$5.00 contributions from voters (ranging from 750 to 25,000 depending on the office), agree to limit the receipt of private contributions up to 18 months prior to a primary election to \$10,000 to \$250,000 depending on the office, and agree to participate in public debates and not use personal funds for campaign costs.

For a primary election, candidates meeting these requirements would become eligible to receive funding from the Fair Political Practices Commission (FPPC) in the amount of: Assembly and Board of Equalization – \$250,000, Senate – \$500,000, statewide officials – \$2 million, and Governor – \$10 million. For a general election, the funding levels would be: Assembly and Board of Equalization – \$400,000, Senate – \$800,000, statewide officials – \$2 million, and Governor – \$15 million. In instances when an opponent does not participate in the public financing, the participating candidate would receive additional public financing dollar-for-dollar to match the privately-funded candidate subject to a cap of four or five times the initial public financing amount depending on the office. Lastly, participating candidates who are elected would receive between \$50,000 and \$100,000 per year, depending on the office, for purposes similarly authorized for leftover private campaign funds.

Funding for public financing would be derived from an increase, effective in 2007, on State taxes paid by corporations from 8.84 percent to 9.04 percent, and an increase on taxes paid by financial institutions from 10.84 percent to 11.04 percent. Proposition 89 specifies that no more than \$900 million of the funds from the increased taxes could be retained at any time in support of purposes of the initiative. Amounts over this limit would be available to the State General Fund.

For candidates who do not participate in the public financing component, Proposition 89 would reduce contribution limits that individuals, groups or corporations can give to a candidate, for example, from \$3,300 for candidates for the Assembly and Senate to \$500. Small contributor committees would be limited to no more than \$2,500, and contributions from political parties, currently uncapped, would be limited to \$20,000 to \$750,000 depending on the office.

Proposition 89 would also lower the existing limit on annual contributions to political parties for candidate-related expenditures from \$27,500 to \$7,500. It would place a \$1,000 limit on annual contributions to independent expenditure committees which support or oppose candidates, and place an overall \$15,000 total annual contribution limit on all types of committees for candidate-related expenditures. The measure would also prohibit contributions to candidates, political parties, and committees from lobbyists, and individuals and entities receiving State contracts.

With respect to ballot measures, Proposition 89 would replace uncapped contributions with a \$10,000 limit on contributions to measures where a candidate is significantly involved, and a \$10,000 limit on corporate contributions.

Administration and enforcement of Proposition 89 would be accomplished by the FPPC and the Secretary of State.

Legislative Analyst's Office Report. According to the Legislative Analyst's Office (LAO), Proposition 89 would make major changes to the way political campaigns and ballot measures are funded, and estimates that the measure would raise over \$200 million annually.

Affected Departments. Proposition 89 has no fiscal or operational effect on the County.

Support and Opposition. The proposition is sponsored by the California Nurses Association, and supported by the California Clean Money Campaign, California Church IMPACT, California Common Cause, Consumer Federation of California Foundation for Taxpayer and Consumer Rights, California Alliance for Retired Americans, California Black Chamber of Commerce, California Democratic Council, Congress of California Seniors, League of Women Voters of California, California State Treasurer Phil Angelides, State Senators Debra Bowen, Sheila Kuehl, and Jackie Speier, Assembly Members Loni Hancock, Fabian Nuñez, Judy Chu, Ed Chavez, Wilma Chan, Jackie Goldberg, Paul Koretz, Dave Jones, Mark Leno, Pedro Nava, and Lois Wolk, San Francisco Mayor Gavin Newsom, San Francisco Supervisor Tom Ammiano, and former Senate Pro Tem John Burton.

It is opposed by Adamo Construction Incorporated, American Insurance Association, California Business Roundtable, California Business Properties Association, California Chamber of Commerce, California Grocers Association, California Landscape Contractors Association, California Metals Coalition, California Restaurant Association, California Retailers Association, California Taxpayer's Association, Clovis Chamber of Commerce, Consulting Engineers & Land Surveyors of California, Consumer Directed Health Care Incorporated, Kern County District Attorney Edward Jagels, Home Instead Senior Care, Insurance Brokers and Agents of the West Incorporated, the National Tax Limitation Committee, the Orange Chamber of Commerce and Visitor Bureau, Proprietary Pizza Corporation, Small Business Action Committee, Small Business and Entrepreneurship Council, TechNet, Valley Industry and Commerce Association, and Western Growers.

PROPOSITION 90: GOVERNMENT ACQUISITION, REGULATION OF PRIVATE PROPERTY. Initiative Constitutional Amendment. – COUNTY POSITION: **NONE**

Proposition 90, also known as "The Protect Our Homes Act," places new limitations on eminent domain and extends the concept of governmental takings into regulatory actions. Proposition 90 not only narrows the application of eminent domain for economic development purposes, but also establishes that property owners would have to be compensated for regulatory actions such as re-zoning which could reduce property values even though no property is physically acquired. Public agency decisions on certain business, environmental, and land use regulatory actions could lead to compensable damages.

Narrows the Meaning of Public Use. Proposition 90 would prohibit government from using eminent domain to effect the transfer of property from one private owner to another. The initiative requires public agencies to specify a public use before a property is taken or damaged, retain ownership of property taken by eminent domain, and ensure that the property is used for its stated public use. Public use is given a narrower meaning than public purpose and essentially corresponds to physical use by the public.

Public use is specifically defined to exclude the uses of eminent domain that result in “transfers to non-governmental owners for economic development or tax revenue enhancement or for any other uses that are not public in fact even if legitimate public purposes are served.” If a public agency ceases to use property taken by eminent domain for its stated public use, the agency must offer the property to the former owner or their heirs at the current market value.

Includes Regulatory Actions Under Eminent Domain. Proposition 90 also would expand the definition of damages to encompass laws and activities by public agencies that result in substantial economic loss to private property, such as down zoning of private property, elimination of any access to private property, and limitation on the use of private air space.

Legislative Analyst’s Office Report. According to an analysis by the Legislative Analyst’s Office (LAO), certain business, environmental, land use, and other regulatory actions could result in compensable damages. Proposition 90 could also impact projects that involve the exchange or transfer of rights to private property owners and requirements imposed on subdividers for the construction of off-site improvements. Furthermore, Proposition 90 requires blight determinations to be made on a parcel by parcel basis. Current law requires a project area to be blighted before eminent domain can be used, but it does not require every parcel in the area to be blighted.

The LAO notes that under current law and court rulings, a government usually is required to compensate property owners for losses resulting from laws or rules if government’s action deprives the owners of virtually all beneficial use of the property. This measure specifies that a government must pay property owners if a new law or rule imposes “substantial economic losses” on the owners. Although the word “substantial” is not defined, the measure appears to require a government to pay property owners for the costs of many more laws and rules than it does today, but would not require government to pay for smaller, or less than substantial, losses.

The LAO concludes that Proposition 90 could have a major effect on future State and local government policymaking and costs. The amount and nature of these effects, however, is difficult to determine as it would depend on how the courts interpreted the measure’s provisions and how the Legislature implemented it.

Affected Departments. The Community Development Commission and County Counsel indicate that if a government agency’s regulations regarding land use, building, and traffic for example, restrict the use of private property, it sets up the possibility of litigation against the agency from private property owners that are affected by such regulations even though no property has been acquired by the government agency.

The Department of Public Works indicates that Proposition 90 would significantly increase the cost of planning, design, acquisition, and litigation associated with a project; increase the difficulty of being able to effectively acquire property through negotiations; and, according to County Counsel, preclude the ability to remedy potential

severance damages to a property by limiting the County's ability to mitigate damages through eminent domain.

Support and Opposition. Proposition 90 is supported by over 100 organizations, elected officials, and two newspapers including the California Congress of Republicans, California Taxpayer Protection Committee, California Republican Party, Capitol Resource Institute, Fullerton Association of Concerned Taxpayers, National Federation of Independent Business, National Tax Limitation Committee, Congressman Ed Royce, State Senators Sam Aanestad, Roy Ashburn, Jim Battin, Dave Cox, Jeff Denham, Bob Dutton, Tom Harman, Dennis Hollingsworth, George Runner, Abel Maldonado, Bob Margett, Tom McClintock, Bill Morrow, Assembly Members Greg Aghazarian, John Benoit, Lynn Daucher, Bonnie Garcia, Ray Haynes, Tim Leslie, Dennis Mountjoy, Keith Richman, Sharon Runner, Tod Spitzer, Orange County Supervisors Lou Correa, Chris Norby, Jim Silva, the Long Beach Press Telegram, and the Orange County Register.

Proposition 90 is opposed by a large number of public safety, education, labor, business, tax payers, homeowners, consumers, community, environmental and governmental organizations. Among over 100 organizations opposed to the measure are the California Police Chiefs Association, California Fire Chiefs Association, California State Sheriffs' Association, California School Boards Association, California Labor Federation AFL-CIO, California Association of Realtors, Los Angeles Business Council, California Tax Reform Association, Transportation and Land Use Coalition, Gray Panthers California, League of California Homeowners, League of Women Voters of California, Western Center on Law and Poverty, California League of Conservation Voters, Sierra Club California, League of California Cities, California State Association of Counties, Urban Counties Caucus, California Special Districts Association, California Contract Cities Association, Association of California Water Agencies, Los Angeles and San Gabriel Rivers Watershed Council, and the California Redevelopment Association.

**LOCAL JURISDICTION MEASURES APPEARING ON
GENERAL ELECTION BALLOT – NOVEMBER 7, 2006**

MEASURE

ARCADIA CITY

- N** Shall the initiative ordinance of the People of Arcadia amending the Arcadia General Plan to specify a goal of prohibiting signs not commensurate with commercial uses as determined by the Municipal Code (such as off premise advertising sign boards or rooftop signs, or animated signs), and to restrict signs in the areas zoned as mixed use, horse racing, or special use to sign types specifically permitted in commercial zones, be approved?
- P** Shall the initiative ordinance of the People of Arcadia amending Arcadia's Municipal Code to require "Large Retail Developments" to provide 100% of the total number of off-street parking spaces free of charge without time limits or validation, except for up to 10% of the total number of off street parking spaces for which fees may be charged or validation allowed for valet parking, be approved?

ARCADIA UNIFIED SCHOOL DISTRICT

- I** Issuance in general obligation bonds in the amount of \$218,000,000 for specified school improvements.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

- K** Issuance in general obligation bonds in the amount of \$75.5 million for specified school improvements.

BASSETT UNIFIED SCHOOL DISTRICT

- E** Issuance in general obligation bonds in the amount of \$20,000,000 for specified school improvements.

CLAREMONT CITY

- S** To expand City protected open space, expand the Claremont Wilderness Park area, preserve the San Gabriel Valley Wildlife Corridor, and protect the area from development in perpetuity, shall the City of Claremont issue \$12.5 million of bonds at tax exempt interest rates to purchase the approximately 180 acre area known as Johnson's Pasture?

COMPTON CITY

- T** Shall an ordinance be adopted that would reduce the City of Compton's current utility users tax on telecommunication services from 10% to 8.5% and modernize the telecommunications services definitions so that all taxpayers are treated in the same manner?

MEASURE

DIAMOND BAR CITY

- L** To finance the construction and furnishing of a library benefiting the residents of the City of Diamond Bar, shall Community Facilities District No. 2006-1 of the City of Diamond Bar issue not to exceed \$13,100,000 of bonds at legal rates and levy special taxes to finance debt service on the bonds and operating costs of the library and the District, and establish an appropriations limit of \$550,000?

EL SEGUNDO UNIFIED SCHOOL DISTRICT

- Q** Issuance in general obligation bonds in the amount of \$19 million for specified school improvements.

INGLEWOOD CITY

- IT** Shall an Ordinance to impose a Vital City Services tax of one-half percent (0.5%) on transactions and uses in the City, with the revenue to provide for the well-being and security of its residents and businesses, be adopted?

LAKEWOOD CITY

- D** Shall Ordinance No. 2006-4, which would impose a ban on the sale, offer for sale, possession, use or discharge of fire works, be approved?
- F** Shall Ordinance No. 2006-5, which would prohibit the parking of trailers and semi-trailers on streets in the City, except while in the process of being loaded or unloaded or by City permit, be approved?
- C** Shall Ordinance No. 2006-6, which would prohibit the parking of motorized recreational vehicles on streets in the City, except while in the process of being loaded or unloaded or by City permit, be approved?

LOS ANGELES CITY

- H** To provide safe, clean affordable housing for the homeless and those in danger of becoming homeless, such as battered women and their children, veterans, seniors and the disabled; assist first time homebuyers; provide low income working families safe and affordable rental housing; shall the City of Los Angeles issue \$1,000,000,000 of bonds, with independent citizen oversight, mandatory annual financial audits, and prosecution for criminal misuse of funds?
- J** To lower costs and provide design flexibility for new regional fire stations, shall Proposition F (voter approved November 7, 2000) be changed to allow regional fire stations to be built on one or more sites totaling less than 2 acres, instead of requiring a single 2-acre site, if the Fire Department decides that the station can be built to fully meet operational needs?

MEASURE

- R** Shall the Charter be amended and ordinance adopted to: change Councilmember term limits to three terms; restrict lobbyists from making campaign contributions, gifts and becoming commissioners; revise lobbyist registration thresholds; require contractors certify compliance with lobbying laws; extend elected officials' post-employment restrictions; require ethics training; and revise requirements for independent expenditures and campaign communications?

PARAMOUNT UNIFIED SCHOOL DISTRICT

- AA** Issuance in general obligation bonds in the amount of \$100 million for specified school improvements.

PASADENA CITY

- A** Shall the ordinance providing for the National Football League renovation of the Rose Bowl Stadium for professional football use and for lease of the Rose Bowl Stadium to the National Football League be adopted?
- B** Shall the Pasadena City Charter, Article XVII – Taxpayer Protection Amendment, be amended to: clarify the duties of public officials who receive a “personal or campaign advantage” from recipients of certain public benefits; exempt certain trustees, directors, or officers of specified nonprofit organizations from its provisions; extend its provisions to persons bidding on certain city contracts; and make other technical or administrative changes?

SAN MARINO CITY

- O** Shall Ordinance No. O-06-1187 continuing the Special Public Tax for police, paramedic and fire services be adopted?
- G** Shall Ordinance No. O-06-1188 continuing the City's Utility User Tax be adopted?

SANTA CLARITA COMMUNITY COLLEGE DISTRICT

- M** Issuance in general obligation bonds in the amount of \$160 million for specified school improvements.

SANTA MONICA CITY

- U** Shall the City Charter be amended to bring the City Charter current with best governmental management practices by removing City of Santa Monica departmental directors from the City's civil service, amending the advisory roles of certain City boards and commissions with respect to the hiring of departmental directors, making other related changes to the City's civil service rules including some concerning promotions and hiring, amending certain provisions concerning the office of City Clerk and by amending some other Charter provisions to remove terms that are not longer legally valid?

MEASURE

- V Clean Beaches and Ocean Parcel Tax Act.** For the purposes of funding the implementation of a portion of the City of Santa Monica Watershed Management Plan, shall the City of Santa Monica authorize the Clean Beaches and Ocean Parcel Tax, as specifically set forth in the proposed Ordinance that appears in the voter pamphlet, subject to an annual CPI escalator, and subject to audit by a citizen's oversight committee?
- W** Shall City Charter Article XXII be amended by replacing restrictions against a person giving, and a City official receiving, any campaign contributions, employment, or valuable gift, after the official votes "yes" on certain matters benefiting the person, with prohibitions against giving or receiving anything valuable in return for an official decision and against using public office to gain employment, and restrictions on gifts from persons doing business with the City and other gifts?
- Y** Shall the Municipal Code be amended to: state that City police shall make law enforcement related to adult, personal use of marijuana the lowest enforcement priority, unless the use occurs on public property or in conjunction with driving under the influence; require the City Council to effectuate the priority through reporting, grievance and oversight procedures; and require the City Clerk to send annual notice of the priority to federal and state representatives?

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

- BB** Issuance in general obligation bonds in the amount of \$268 million for specified school improvements.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT (Shared with San Bernardino County)

- X** Issuance in general obligation bonds in the amount of \$338 million for specified school improvements.

WESTLAKE VILLAGE CITY

- Z** Shall an initiative measure be adopted to amend the Westlake Village General Plan, the Westlake North Specific Plan and Development Agreement 89-002 to allow development of a retail center on Russell Ranch Road within Planning Area C of the Westlake North Specific Plan?